



## Raleigh, NC

# Planning for Successful and Equitable Revitalization

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Larry Jarvis, Director of Housing and Neighborhoods, City of Raleigh  
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### Executive Summary

Pursuant to our technical assistance award with the City of Raleigh, this Memorandum constitutes Smart Growth America's report summarizing the recent Planning for Successful and Equitable Revitalization workshop, and suggesting possible Next Steps the city could take to craft a vision for the City of Raleigh's future development.

Chris Zimmerman, Alex Hutchinson, and Yuri Chang, representing Smart Growth America, met with community leaders and residents on October 19 and 20, 2016 to provide assistance under the Revitalization without Displacement program, supported through The PNC Foundation, which receives its principal funding from The PNC Financial Services Group (NYSE: PNC). The purpose of this site visit was to meet with Raleigh leadership and stakeholders to discuss specific recommendations and to initiate conversations between public, private, and nonprofit partners.

Following a productive discussion with various stakeholders — including residents, advocates, business owners and elected officials — the Next Steps outlined below are recommended.

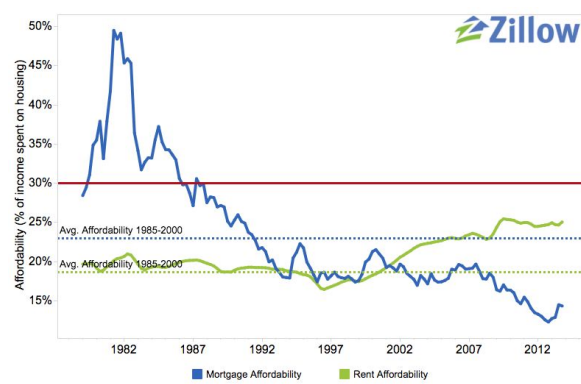
### Need for assistance

Raleigh, NC is becoming one of the South's major metropolitan hubs, offering access to a thriving biotechnology cluster in the research triangle region, North Carolina State

University, an array of cultural offerings, and a relatively low cost of living. According to Raleigh municipal data, the City attracted roughly 22 new residents a day between 2014 and 2015. Wake County's population grew by 43 percent between 2000 and 2010 — the highest growth of any metropolitan area in the nation during that period — and is projected to increase by an additional 71 percent between 2010 and 2030, according to U.S. Census data.

That population growth is a sign of Raleigh's strong economic prospects, but in the absence of additional transportation options, Raleigh residents face the threat of gridlock in the upcoming years if no action is taken. Decades of decentralized, car-centric development have left Raleigh commuters with little choice but to drive on overburdened streets that carry an ever-growing number of drivers. Without investing in new multi-modal options, the expanding employee and resident base will strain Raleigh's road network and maintenance budget.

In addition to lengthening commutes, rising housing and transportation costs are burdening the most vulnerable Raleigh households. While housing costs in Raleigh are lower in comparison to national markets, the average Raleigh renter household is increasingly paying more of their incomes—nearly 30%—towards housing costs according to Zillow. Additionally, 25% of all middle-income households—those making between 50-80% of the area median income—are cost burdened, or spending 30% of their income towards rental housing costs, according to federal department of Housing and Urban Development data for the region.<sup>1</sup>



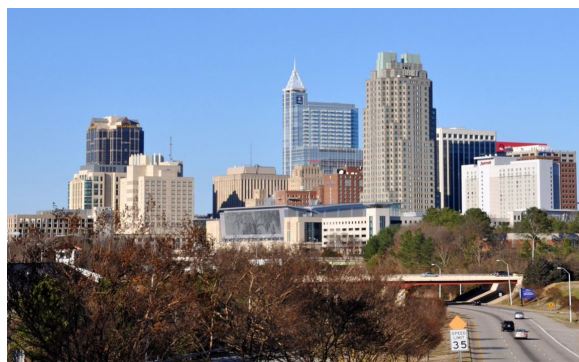
While other communities in the region have passed ballot measures to create new transportation choices for their residents Wake County has only recently followed suit. In 2016, the Wake County Commission approved a long-term plan for the regional transit network that is expected to quadruple transit ridership in the county in the next ten years. The plan calls for a new commuter rail as well as 20 miles of new bus rapid transit (BRT) routes, including a BRT line in the “Southern Gateway” area just south of downtown Raleigh, the area of focus for this revitalization planning assistance. Wake County voters approved a half-cent sales tax during the November 2016 election, in

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<sup>1</sup> Image credit: Zillow

addition to an increase in vehicle registration fees to pay for expanded transit service in the county.

The Southern Gateway is formed by major thoroughfares South Saunders Street and South Wilmington Street. While downtown and northern Raleigh have enjoyed remarkable growth, the Southern Gateway has witnessed stagnation in residential, employment, and economic development growth. Today, the corridor is home to a high concentration of minority and low- to moderate-income



residents who face an array of physical barriers to mobility, including poor pedestrian and bike infrastructure, speeding and cut-through traffic, and dangerous intersections.

The Southern Gateway BRT aims to provide relief to congestion and spur inclusive growth by providing rapid, reliable public transit that connects riders to jobs and education, and shoppers to small businesses. However, the City of Raleigh also recognizes that rising rental costs and physical disruption caused by transit construction can threaten the survival of many small businesses. Directly, residents and commercial tenants can be required to leave when construction or redevelopment occurs. Indirectly, property values and associated taxes can increase to the point where residents and businesses cannot afford these amounts.<sup>2</sup>



The Planning for Successful and Equitable Revitalization workshop focused on ways to support and guide communities that are poised for redevelopment and want to ensure that projects are both economically successful and socially equitable. TOD, when properly executed, can revitalize neighborhoods by providing communities with transit access to jobs and services, transforming areas near transit into compact, mixed-use developments with quality pedestrian environments. As the city and region move into the planning and implementation phase of BRT, collaborative strategies become increasingly important to leverage resources, build public support and coordinate investment opportunities across sectors.

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<sup>2</sup> Image credit: City of Raleigh

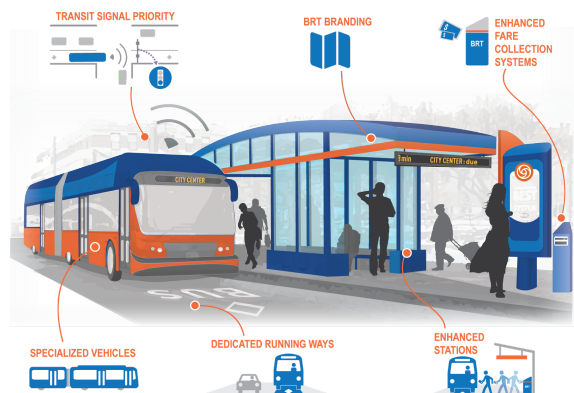
## Workshop Review

The two-day workshop began with a guided tour led by Kenneth Bowers, Director of Planning, Dhanya Sandeep, City of Raleigh Planner, and Larry Jarvis, Director of Housing and Neighborhoods. The tour provided an in-depth look at South Saunders Street and South Wilmington Street, which form Raleigh's Southern Gateway. These sections of road are home to several established and new neighborhoods, along with churches, businesses, schools, and shopping areas that serve the surrounding communities. New mixed-use, mixed-income developments and are now part of the corridor. These major transportation corridors connect the community inside and outside of the study area to Downtown and I-40. The tour allowed the project team to understand more fully the road realignment to accommodate for BRT along the corridor.



Following the site tour, the first day concluded with a public meeting that provided a broad overview of the Planning for Successful and Equitable Development curriculum. The evening presentation walked the audience of public officials, community leaders, local residents, and city employees through a brief history of the evolution of 20th century urban development, current economic and demographic patterns, and the foundations for successful transit-oriented developments (TOD).<sup>3</sup>

The evening presentation provided a deeper examination of effective TOD design, the implications for fast-growing cities like Raleigh, and quantitative evidence of transit adding value to real estate by enabling the creation of high density, walkable environments. The presentation discussed the emergence of the millennial generation as the predominant driver of economic demand, emphasizing that generation's interest in



walkable, vibrantly social cities that are easily accessed through public transit. The presentation examined the critical importance of diverse access to jobs, housing, and amenities within the first quarter-mile around TOD stations. SGA presented successful case studies of quality TOD, and BRT systems pulling examples from communities like Arlington, VA; Denver, CO; Cleveland, OH; Minneapolis-St. Paul, MN; Seattle, WA, and

<sup>3</sup> Image credit: Nelson Nygaard

abroad.

On the second day, the workshop focused on strategies to combat and mitigate the potentially hazardous impacts of the introduction of public transit to a community. The SGA technical assistance team presented economic trends of housing cost burdens growing for all income levels, and the need to account for transportation costs. A variety of small business protection and affordable housing policies, tools, and case studies were presented to workshop attendees to draw from and apply to the Southern Gateway planning process. The presentation primed attendees to think about the resources available to the City of Raleigh.

The SGA team gave an in-depth presentation about Arlington, VA's approach to the preservation of affordable housing in the Columbia Pike Corridor as the County developed a form based code land use policy. The goals of the county were to preserve approximately 6,200 affordable housing units for people and families who can afford 40-80 percent area median income, while encouraging the development of the corridor towards a more walkable, mixed-use community. Arlington's approach established conservation zones, comprised of mostly single family home neighborhoods that would remain intact to preserve the low density character of these communities, while simultaneously identifying areas that could accommodate an increase in density. The form based code policy provided developers with the benefits of significant increased density, relief from substantive requirements of as-of-right zoning, and relief from procedural requirements of special exception process. (For more information on the approach please see Appendix B.)

Breakout sessions gave workshop attendees the chance to discuss a vision for the Southern Gateway, taking stock of the area's communities, assets, and current state of affairs. A healthy back and forth developed through rotating small-group discussions, revealing common aspirations and perceived obstacles. The SGA technical assistance team guided the groups through exercises that transformed and narrowed a list of brainstormed ideas into an organized set of actionable goals.



Participants identified affordable housing, small business displacement mitigation, and transit-oriented development items as the issues most pressing in this workshop. Participants said a major goal for the success of this corridor would be revitalization without the net loss of affordable units. The participants are adamant for the development of the neighborhood to equally enhance outcomes for residents so that

the success is experienced across income levels.

Much of what Raleigh needs to thrive is already on hand: A willingness to take critical self-reflection of the city's current obstacles, an openness toward exploring new ideas, and an energized core of leaders committed to equitable growth.

### Workshop participants:

- Chloe Smith, MLR Designs
- Winnie Kaspar, Cisco
- John Bryson, PNC Bank
- Jane Porter, Raleigh Agenda,
- Dan Coleman, Building Contractors
- Sonia Anderson, Raleigh Housing Authority
- Kevin Uy, Lea(4n)
- Veronica Brooks-Uy, Public Impact
- John Sidebotham, Wake County Economic Development
- Ian Hamilton, VHB
- Brandon Watson, City of Raleigh
- Jeanette Golden, City of Raleigh
- John Anagnost, City of Raleigh
- Mushtaqur Rahman, Baseline Mobility Group
- Nick Leverett, HR&A
- Janet Howard, GITC CDC
- Anthony McLeod, SWCAC
- Tim Gardiner, Wake County
- Rachel Zeitler, Habitat for Humanity Wake County

### Recommended action plan

Taking an equitable approach to TOD can help regional sprawl and build a healthier and more sustainable Raleigh. As new transit implemented by the City creates more compact neighborhoods with multi-modal access to regional jobs and amenities, people of all income-levels will benefit. Ensuring that low- and moderate-income households are served by new transit and can afford to live in transit-accessible neighborhoods will contribute to the City's economy and help retain core riders.

The following are recommendations for the City of Raleigh to undertake as it moves toward implementation of equitable TOD in the Southern Gateway. The plan is divided into three sections: short-term, mid-term and long-term actions. Each recommendation in the plan can be taken independently of the others, but to maximize their effectiveness, the short-term actions should be conducted concurrently and in a

coordinated and transparent manner.

## Short-Term Actions (3-6 months)

### 1. Educate key players and potential partners about TOD

The successful implementation of equitable TOD requires engagement and coordination across multiple sectors, levels of government and between housing, transportation, public health, and community development. Some of this now occurs within the Wake County Transit Strategy, a partnership that includes Wake County, GoTriangle, Capital Area Metropolitan Planning Organization (CAMPO), City of Raleigh, Town of Cary, Research Triangle Foundation, NC State University and Raleigh-Durham International Airport.

Cross-sector coordination is essential and engagement needs a steady pace. Partnering with additional organizations will help educate developers on the foundations necessary for equitable TOD. Groups like the Urban Land Institute (ULI) provide a wealth of information on changing national market trends, financing tools, and development standards that can help to train developers. ULI can also help to bring in developers experienced with TOD in other regions to talk with their peers in Raleigh.<sup>4</sup>

As specific catalytic sites are identified within the Southern Gateway corridor, Raleigh can promote these opportunity sites and issue Requests for Qualifications to developers and engineering firms. Such catalytic sites include the International Market area at the southernmost portion of the corridor, and the Wilmington Rush area, identified by the group as a high priority area. In Saint Paul, MN, the City invited developers with experience in mixed-use/mixed-income development to tour a potential redevelopment site and flag issues that the city should consider in crafting its RFQ for engineering, traffic analysis, and development. This was used to both help the city better understand what to realistically ask a developer to provide and how to evaluate a site, and to demonstrate to regional developers the opportunity that this type of development brings.



### 2. Reform plans, codes and policies to facilitate affordable housing production and preservation

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<sup>4</sup> Image credit: City of Raleigh

Increasing allowable density creates a significant amount of value for existing property owners and creates an incentive to redevelop older (and presumably less expensive) housing stock. Revise zoning and building codes to better enable the financial feasibility of TOD.

Tie value-creating changes in zoning to enhance affordability requirements and incentives, a process referred to as “inclusionary upzoning”. Yet market realities at this point may require additional incentives beyond upzoning to produce even 20% set asides or higher. While substantial increases in the housing supply can relieve affordability pressures in the long-run, shorter-term affordability may be challenged as new units are likely to rent at a higher price-point than the units they are replacing.

For example, the City of Austin adopted a TOD ordinance that requires all station area plans to identify strategies to achieve affordability in at least 25 percent of units in new housing developments near rail and bus service. Successful policies often welcome input and support from both market-rate and affordable housing development partners.

GoRaleigh development policies can complement local inclusionary housing policies, or assist in overcoming an absence of such policies. For example: Los Angeles County Metropolitan Transit Authority passed a motion that sets a 30 percent affordability threshold for the agency’s direct station area development activities.

Market viability will likely vary among Southern Gateway neighborhoods and transit corridors requiring improved understanding of varied market dynamics to inform where public investment may be needed to catalyze new development, where the private market may already be sufficient, and where involvement may be needed to reduce the potential for displacement.

Additionally the group discussed several obstacles facing development potential along the corridor including the floodplain, brownfield sites, and the cemetery as barriers. Community plans will provide detailed strategies for land use, transportation, infrastructure and community facilities and amenities. Consider including a housing specific component for community plans that outlines current level of affordability, future need for affordable units, and ability of the market to deliver affordable units and TOD through incentives. The workshop group was cognizant of getting ahead of the market as land values and acquisition in the corridor would be most available at this point in time.

### **Mid-term actions (6 months to a year)**

#### **3. Prioritize bicycle and pedestrian improvements through design standards and capital investments**

The redevelopment of the Southern Gateway area is an opportunity to incorporate

bicycle and pedestrian safety and accessibility improvements.

Improve bicycling and pedestrian environments through street design standards, building standards, zoning and even quick, low-cost strategies such as creating pop-up spaces in underutilized parking lots or storefronts, painting streets or creating temporary sidewalk cafes can all help to activate and personalize public space to signal that pedestrians are valued. These strategies also have an economic impact. One Walk Score point can increase a home's net worth by an average of \$3,250.

Adopt development standards for new housing that incorporate urban design and infrastructure that support safe walking, biking and transit use within the neighborhood and improve connectivity to surrounding neighborhoods and regional trails and transit systems.

Prioritize or at least ensure that pedestrian and bicycling improvements are happening in low-income or traditionally underinvested communities. Improved bicycling and pedestrian infrastructure necessary to connect neighborhoods in and around the Southern Gateway BRT stations was a recurring theme from breakout groups during the stakeholder workshop.

#### **4. Designate staff to facilitate equitable TOD coordination and increase visibility**

Given the priority placed on TOD and the challenges that currently exist to implement TOD in the region, designate a specific staff member to coordinate TOD planning and policies across departments and governmental agencies, serving as a single point of contact for developers and the community. Designating a staff member to serve as eyes on these issues on a regular basis ensures consistency with Wake Transit's TOD policies, projects, and goals. This could include language to prioritize affordable housing as a policy goal, and develop specific strategies to redevelop publically owned land.

#### **5. Create an assistance program for companies impacted by construction**

A program specifically focused on working with small businesses impacted by capital improvement projects could be embedded within the economic development department, not just within the South Gateway Corridor but across the City. Economic Development staff could be charged with developing relationships with small business owners. For example in Minneapolis, MN along the Green Line Project staff was directly involved with the small business community to talk about financing programs, to address construction related issues, and to develop city relationships with small businesses threatened by a lack in foot traffic. Resources to stabilize small businesses should be identified to help small businesses remain in place, or relocate in the event of a major disruption.

### **Long-Term Actions (1-2 years)**

## **6. Enhance site-access and improve site viability to counter market conditions that hinder transit-oriented development.**

The most direct way for public agencies to support affordable housing and development surrounding TOD is to make public land available for affordable housing development. The group discussed the potential of direct site acquisition and/or land trusts as a strategy that the public/private sector could pursue.

Wake County has the potential to play a role in this realm as a jurisdiction with the capacity and wherewithal to strategically acquire properties for assemblage and land banking. Leasing or selling sites directly to affordable housing developers, included in a joint development, or the agency can require that a portion of a larger development be affordable. Purchasing additional land during the site assembly process for redevelopment projects, infrastructure improvement, or transit-supportive station area development can potentially pre-empt inflationary market pressures and allow for more cost-effective site control for TOD with an affordable housing component.

Identify a designated funding source to continue efforts of site assemblage, funding of affordable housing, and other initiatives related to affordable housing to be more nimble in responding to a changing market in need of increased affordable housing production tools.

While land write-downs may be most helpful, public entities can also support affordability through increased flexibility in the terms and conditions for selling or leasing public land. For example, by offering a purchase option for an affordable developer but not fully executing the sale until development financing is secured.

Public land strategies have been a tool to ensure that a portion of large-scale, catalytic redevelopment projects remains affordable. For example, in Austin, Capital Metro's first joint development project, Plaza Saltillo, which is located one stop from downtown Austin on the Red Line commuter-rail corridor, will redevelop a 10-acre brownfield into retail space, a grocery store, and 800 residential units, including 200 affordable units to seniors and other households.

While opportunistic or ad-hoc use of sites can support TOD, a systematic approach toward equitable public land use/disposition may have greater impact. Consider the inclusion of strategies and policies around public land acquisition and disposition for affordable housing coordinated with TOD as the County and City work to implement the Wake Transit plan.

Work collaboratively with Wake County and other public agencies to develop similar policies or even take a project-by-project approach. For example, work with the school districts on land assembly when they are acquiring land for a new school would be a prime opportunity for furthering equitable development opportunities in the City.

Public agencies can also explore the feasibility of updating existing on-line databases

and GIS platform to monitor publicly available, underutilized land assets. Metro Transit in the Twin Cities, and Mile High Connects in Denver both provide these resources to track, market and inform developers, business location finders, and the public of available public land resources that can be redeveloped.

## Appendices:

Appendix A: [Evening Presentation](#)

Appendix B: [Morning Presentations](#)